

Address Quality and Mailpiece Design

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Address Quality And FSS Impact On Periodicals Mail

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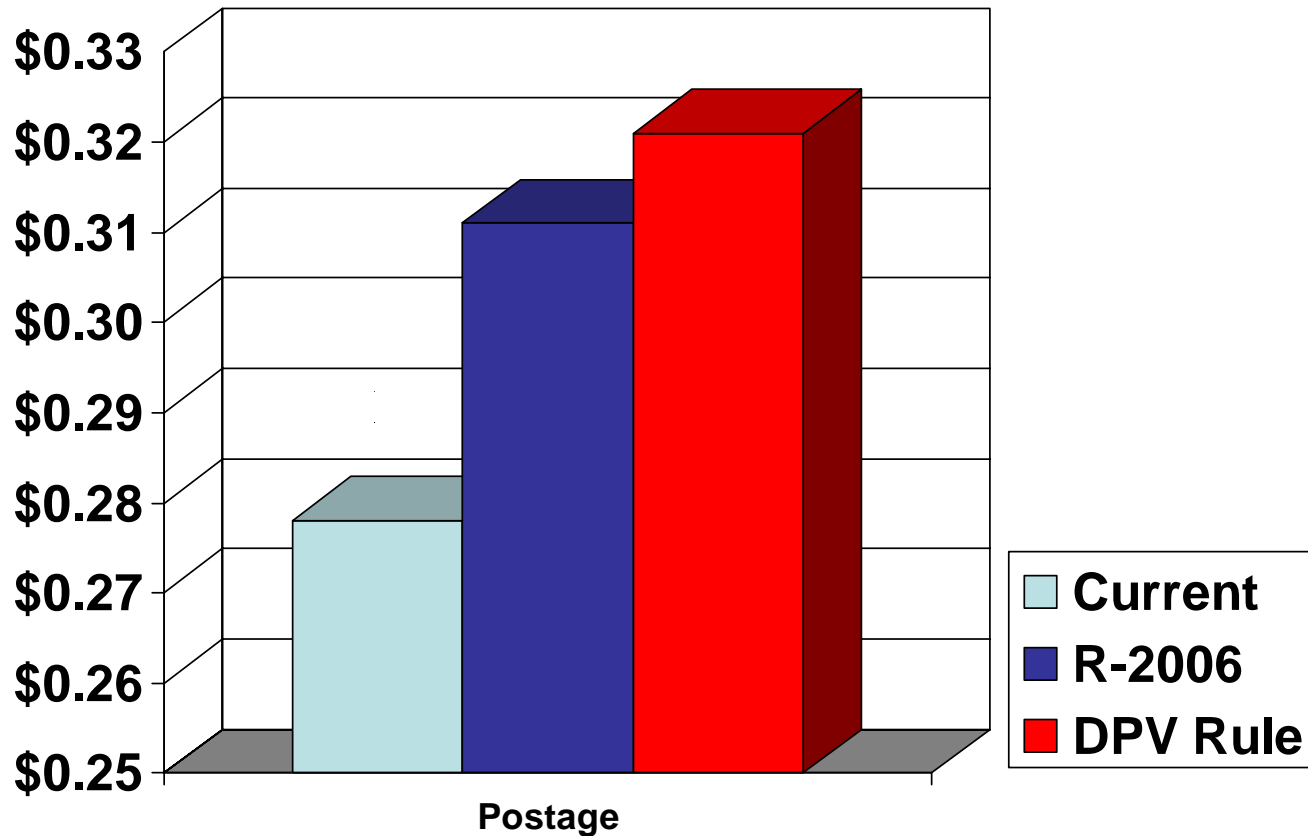
Director, Postal Affairs &
List Services

Time Inc. Customer Service

Address Quality

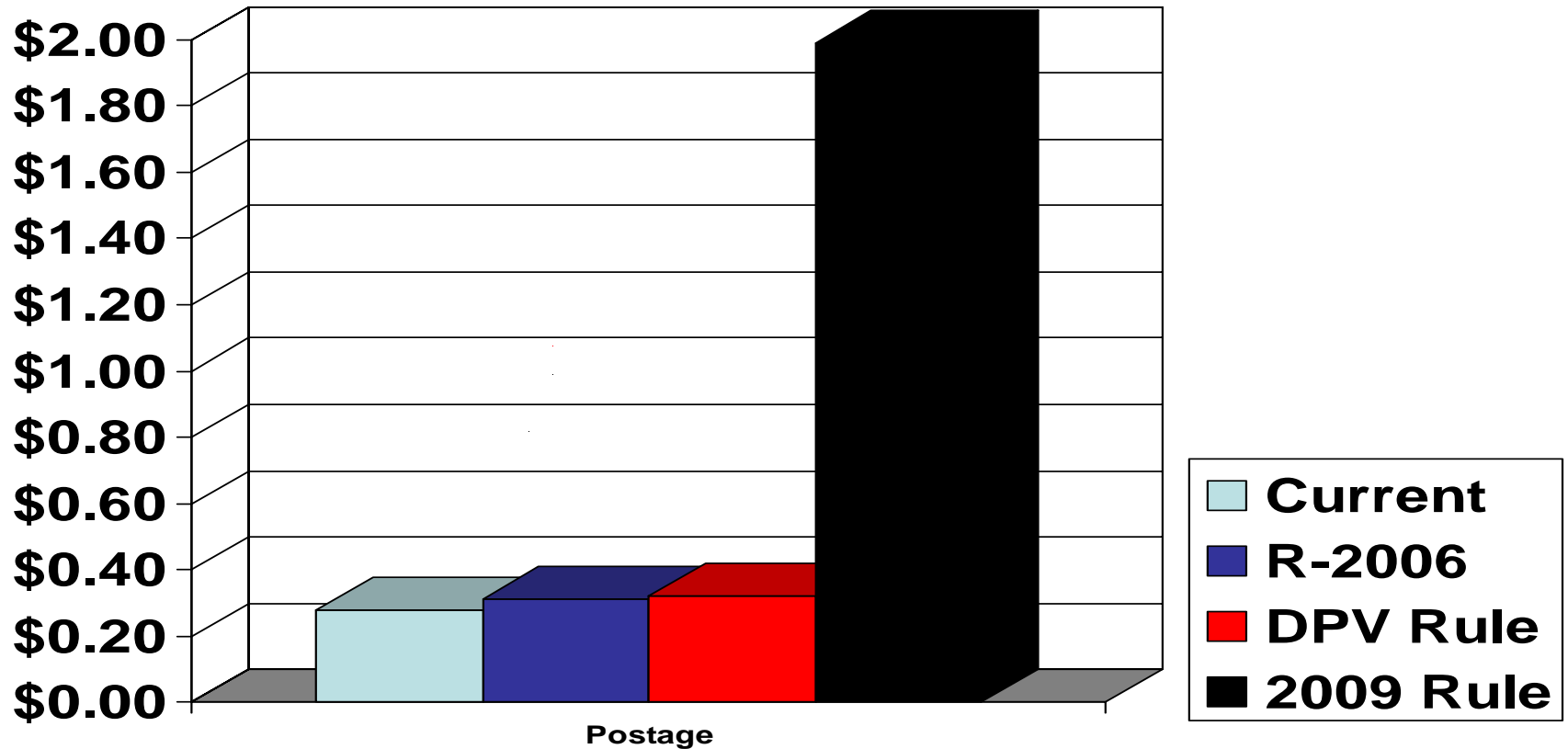
- **Multiple sources provide paid subscriptions**
 - **Partnerships**
 - **Agents**
 - **Direct to Publisher**
- **Periodicals & Personal Knowledge Required (PKR)**
- **Potential Postage Impact**

Postage for an “average Periodical” that does not DPV at the primary address



	Postage (RPW = “Average Flat” weighing approximately 8 ounces)
Current	\$0.278
R-2006 (7/15/2007)	\$0.311
DPV Rule (8/1/2007) – Lose BC Discount	\$0.321

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DPV Rule (8/1/2007) – Lose BC Discount	\$0.321
2009 Rule (7/1/2009) – Single Piece Rate	\$1.99

Mailpiece Design Concerns - Periodicals

- **Multiple Address Block & Placement Scenarios**
- **“Space on the label”**
- **Pending Decision on Address Block Orientation**

Fulfillment Information on BRM



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Send gift subscription to:

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Address _____ Apt. No. _____

City _____ State _____ Zip _____

PEOPLE

533515UR9C17061 91

#BXBDGQ ***PCAR-RT LOTRC-048**

#2053 6670 790NPE 96QFL16 A JAN05

LAURA VAN NYK 0007

8706 COVE CT #08246

TAMPA .FL 33615-5402 P00003


*On the \$3.29 cover price. PEOPLE publishes one double issue, which counts as two of 53 issues in an annual subscription. PEOPLE may also publish occasional extra issues. Rate good in the U.S. only.

04WPEAT

Non-address Messaging With the Same Head

YOUR SUBSCRIPTION SAVINGS		
We'll bill you or charge your card (as indicated below). If paying by credit/debit cards, your card will be charged in approximately 4-6 weeks.		
YOUR NAME HERE		
BEVERLY MORRISSEY-POSTAL DIST. THIS REPORT VERIFIES YOUR SUBSCRIPTION SAVINGS AND BENEFITS. THROUGH YOUR SPECIAL OFFER FROM SAM CODY.		
<i>For your records only. This is not a bill. No reply necessary.</i>		
Next Term Period	Number of Issues	Your Savings Off the Cover Price
03/06--09/06	28	73%
Cover Price	Your Price	Payment Method
\$111.72	\$29.95	CREDIT
<div>ENJOY YOUR SUBSCRIPTION!</div> <div>CURRENT EXP. DATE: 03/20/06 ST ACCOUNT #: 0119630568 QUESTIONS? CALL TOLL-FREE 1-800-354-5473 OR VISIT WWW.ST.COM/CUSTOMERSERVICE</div> <div>BEVERLY MORRISSEY-POSTAL DIST 0001 #15174 YOUR NAME HERE YOUR ADDRESS HERE</div>		

CONSUMER Printed in the U.S.A.



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() 56 ISSUES @ \$ 7.72
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5336240RINT705R20 1DECR02

88XB0JLX 88XB0JLX88CAR-RT LOTWR-061
80311 5877 8808TD 6377FL36 B FEB08
 YOUR NAME HERE **0014**
\$12041
 YOUR ADDRESS HERE **P00065**
1/1/01 FL 3625-005

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YOUR
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() 56 ISSUES @ \$ 72
PER ISSUE = \$39.90

5336240RIAT705R90 TDECRD2

38:BDJLX ~~XXXXXXXXXXXX~~CAR-RT LOTNR-061
#0311 5877 8608TD 6377FL36 B FEB08
YOUR NAME HERE 0014
YOUR ADDRESS HERE #12041
P00005

First-Class Mail Design And Window Envelopes

Jody Berenblatt
Senior Vice President,
Postal Strategy
Bank of America

First-Class Mail Flats

	Revenue				Pieces			Cost Per Piece	
	FY 2006	FY 2005	% chng		FY 2006	FY 2005	% chng	FY 2006	FY 2005
First-Class Mail:									
Single-Piece Flats	\$ 3,730,170	\$ 3,785,452	(1.5)		3,405,121	3,572,195	(4.7)	\$ 1.10	\$ 1.06
Workshare Flats	\$ 695,938	\$ 588,176	13.35		993,985	909,626	5.22	\$ 0.70	\$ 0.65
Nonautom. Presort Flats	\$ 139,747	\$ 134,109	4.2		173,905	176,370	(1.4)	\$ 0.80	\$ 0.76
Automation Presort Flats	\$ 556,190	\$ 454,067	22.5		820,080	733,256	11.8	\$ 0.68	\$ 0.62

- Volume Observation
 - In FY 2005, 80% of First-Class Mail Flats are Single Piece
 - In FY 2006, 77% of First-Class Mail Flats are Single Piece

Source: RPW 2006 (Oct 1 2005, Sept 20 2006)

Mailpiece Design Concerns

- **Transaction based communication, customer activity determines if mailpiece is a letter or a flat.
Dynamic: potentially changes each month**
 - **Telecommunications Industry**
 - **Business customers in Financial Sector**

Window Envelopes - Concerns

- New window placement requirement forces redesign of statement page one (or addition of a page to align through the new window).
- Cost impact of moving the window on envelopes should be minimal. Most envelope converting equipment has flexibility to make this window change without re-tooling expense or a negative impact on productivity.
 - Industry needs the long dimension of window to be parallel to the flap
 - Booklet Example: If the window is in top 1/3rd of the envelope, that is 4" space on the long dimension.
 - Industry standard window position is 3/8" from the edge. That leaves 3.62" for the window.
 - Industry requests USPS to modify window position requirement to ensure industry ability to put 4 -1/2" window on the mailpiece and maintain the 3/8" clearance from mailpiece edge

Shrinking Flats Volume

Standard Flats Declining as a Percentage of Total Standard Mail

<u>GOVT. FY</u>	<u>Total Standard Mail Pieces</u>	<u>Standard Letter Pieces</u>	<u>Standard Flat Pieces</u>	<u>Flats as % Total Standard</u>
FY 2006	102.5 Billion	62.0 Billion	39.9 Billion	38.9%
FY 2005	100.9 Billion	60.3 Billion	40.0 Billion	39.6%
FY 2004	95.7 Billion	56.7 Billion	38.4 Billion	40.1%
FY 2003	90.4 Billion	52.7 Billion	37.1 Billion	41.0%
FY 2002	87.2 Billion	50.4 Billion	36.1 Billion	41.4%
FY 2001*	89.9 Billion	50.6 Billion	38.6 Billion	42.9%
FY 1997*	76.5 Billion	41.6 Billion	34.9 Billion	45.6%
Source: USPS Quarterly Statistics Reports; Annual Reports; *Estimates found in R97-1 and R2000-1 rate cases.				

Second Verse Same as the First

First-Class Flats Volume is Declining

<u>GOVT FY</u>	<u>TOTAL FIRST CLASS PIECES</u>	<u>FCM LETTER PIECES</u>	<u>FCM FLATS PIECES</u>	<u>FLATS AS % TOTAL FCM</u>
FY 2006	97.6 Billion	92.7 Billion	4.4 Billion	4.5%
FY 2005	98.1 Billion	93.1 Billion	4.5 Billion	4.6%
FY 2004	97.6 Billion	92.9 Billion	4.6 Billion	4.7%
FY 2003	99.1 Billion	93.6 Billion	5.0 Billion	5.0%
FY 2002	102.4 Billion	96.5 Billion	5.4 Billion	5.3%
<i>Source: USPS Quarterly Statistics Reports and USPS Annual Reports</i>				

Automation Versus Manual, Address Location & Orientation

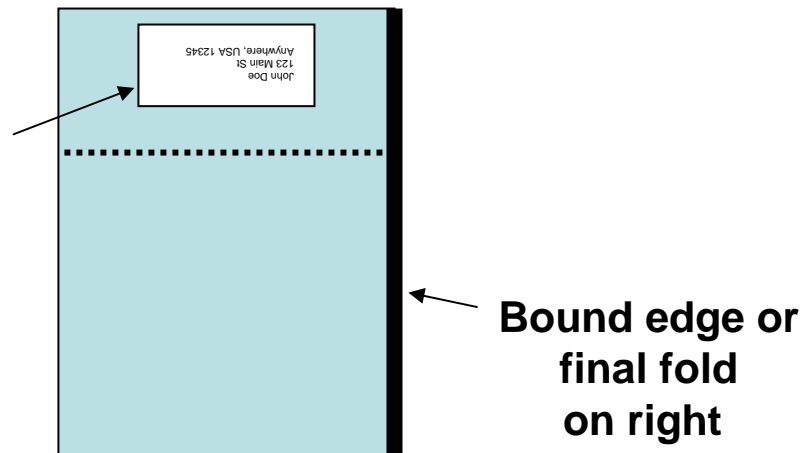
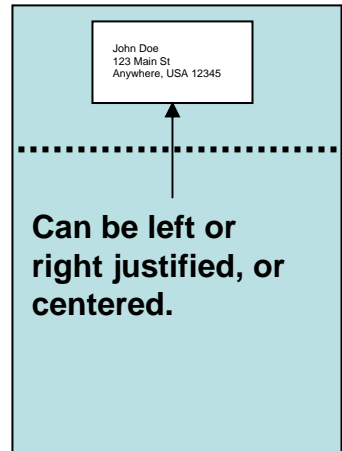
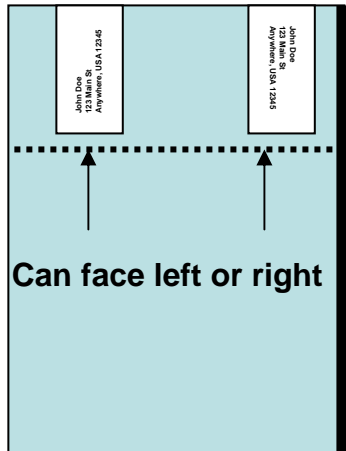
Marc McCrery

Manager, Operational Requirements
and Integration

United States Postal Service

WG #101 Proposal

Bound/Folded Flat Address

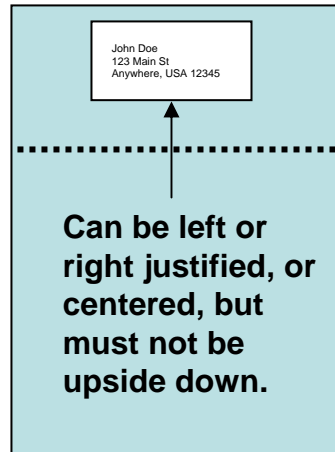
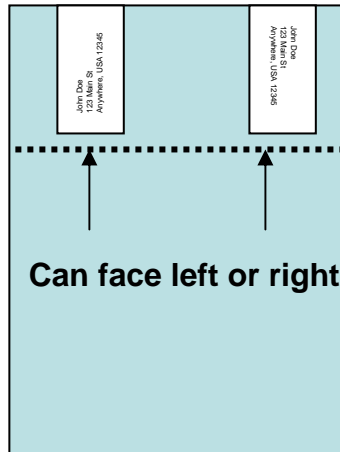


This could represent the front or back of your mailpiece. Customer address and optional delivery endorsement can appear anywhere in the address zone (top third above the dotted line) when the bound edge is aligned to the right. Customer number, source code and messaging can appear anywhere on catalogs.

WG #101 Proposal

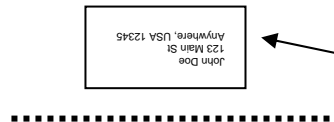
Enveloped Flats

Top Edge (either short edge)



Customer address and optional delivery endorsement can appear anywhere in the address zone.

Note: this option also pertains to flats in other types of containers, such as polybags and CD cases.



Address orientation restrictions will be determined by the USPS (e.g., cannot read upside down when at the top) based on the needs of delivery.

Address Quality and Mailpiece Design

Gary Reblin

Manager, Intelligent Mail
Planning & Standards
U.S. Postal Service



- **Intelligent Mail Barcode (IMB) is available for both Flats and Letters TODAY**
 - Combines multiple codes into a single code (Win-Win results)
- **Standardized Barcodes are at the core of many Intelligent Mail initiatives**
 - Use for OneCode Confirm (First-Class, Standard and Periodicals)
 - Use for OneCode ACS (First-Class and Periodicals)
 - Pilot participant on Seamless Acceptance
 - Designing service measurement and diagnostics around use
 - Available for Automation Rate discount today (embed OEL on bundles)
 - Required for Automation Rate discounts in 2009
- **<http://ribbs.usps.gov/onecodesolution/>**
 - Encoder Software and Fonts, IMB Specifications, Technical Resource Guide (OEL for flat mail), OneCode Confirm and OneCode ACS Technical Guides, Online Decoding Tool

3 Intelligent Mail Barcode (IMB) Questions

1. What can flat mailers use IMB for today?

- Flat mailers can use IMB for the automation rate discounts (First-Class, Standard and Periodicals)
- Flat mailers can use IMB for OneCode Confirm Services (First-Class, Standard and Periodicals)
 - Flat mailers can use IMB for OneCode ACS (First-Class and Periodicals only – Standard Mail will be offered in the Fall of 2007)

2. Where can the barcode be placed on flat mail?

- In the same location as POSTNET today. Most mailers place the POSTNET in the address block.

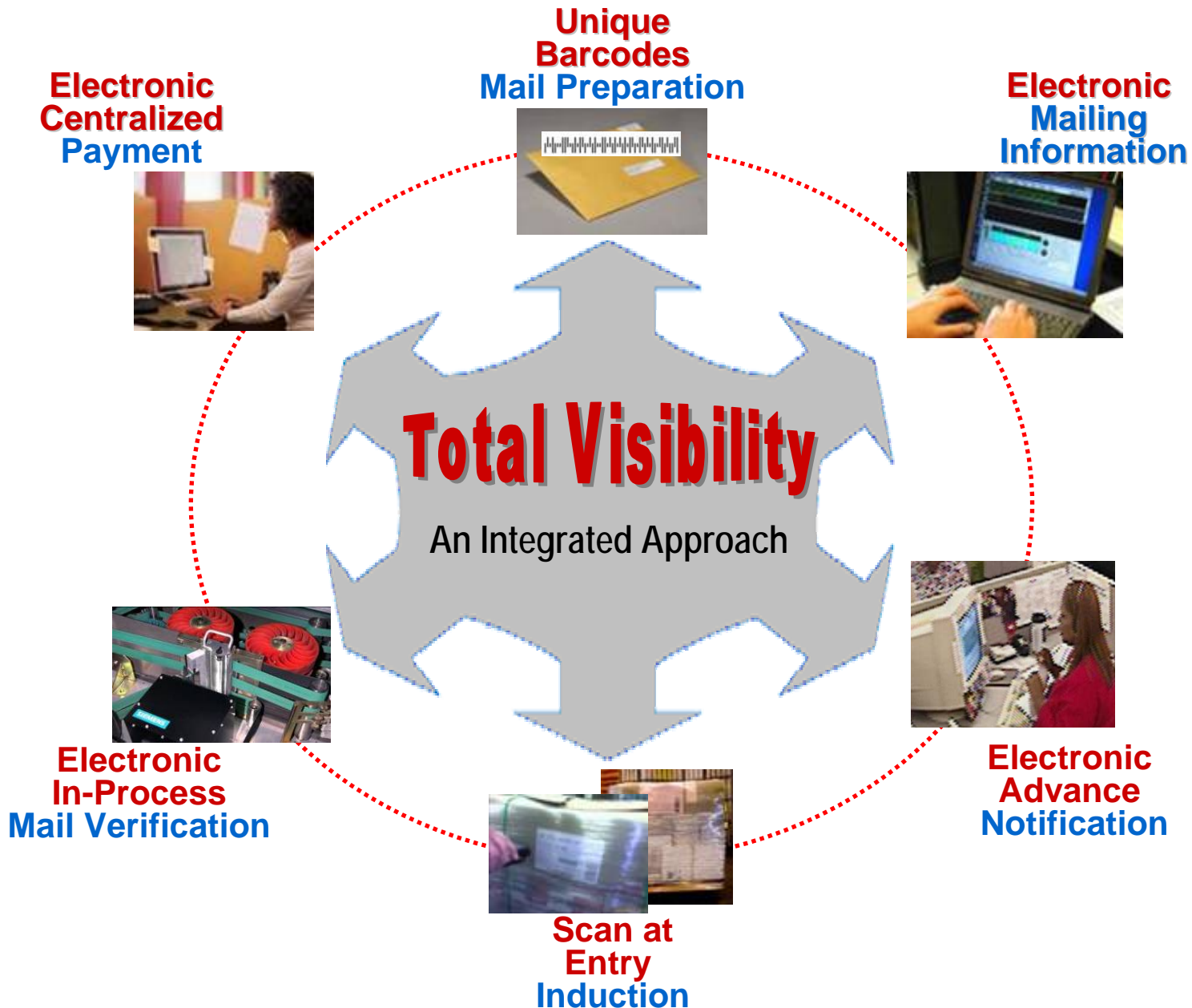
3. Are there any other requirements with IMB for flat mailers?

- Yes. If you prepare flat bundles and use the Optional Endorsement Line (OEL), you must embed OEL digits within the Barcode ID field of the Intelligent Mail barcode. The OEL digits are listed in the IMB Resource Guide on the website: <http://ribbs.usps.gov/onecodesolution/>

Seamless Mail Acceptance And BEI Challenges

Pritha Mehra
Manager, Marketing Technology and
Channels
United States Postal Service

Enhanced Verification & Feedback



Inside the Intelligent Mail Barcode (Mailpiece)

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
Type Ind		Special Svcs			Business Entity ID						Adj Field			Unique Serial Number						Routing ZIP										
2N		3N			6N						3N			6N						11N										

- **Type Indicator:** 2-digit mail preparer identifier (USPS or external) & applicable barcode specification
- **Special Services:** 3-digit field used to identify any special or extra services
- **Business Entity Identifier (BEI):** 6- or 9-digit unique mailer identifier (assigned by USPS)
- **Adjustable Field:** 3-digit field used for BEI (if 9-digit BEI), or to assign additional unique serial numbers to mailpieces
- **Unique Serial Number:** 6-digit field used to uniquely identify mailpieces
- **Destination ZIP:** 11-digit Delivery Point ZIP Code